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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Telecommunications Division
Market Structure Branch**

**RESOLUTION T-16681
August 22, 2002**

RESOLUTION

RESOLUTION T-16681. CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA, INC. (U-1024-C). ORDER ACCEPTING SUBJECT TO REFUND ANNUAL INTRASTATE EARNINGS ADVICE LETTER FILING IN COMPLIANCE WITH DECISION 89-10-031.

BY ADVICE LETTER NO. 741 FILED ON APRIL 2, 2002.

SUMMARY

This Resolution accepts Citizens Telecommunications Company's (CTC) intrastate earnings advice letter filing subject to any corrections, adjustments or refunds that may be appropriate as a result of any Commission decision.

BACKGROUND

New Regulatory Framework (NRF)

Decision 95-11-024 established a NRF program for CTC similar to that of Pacific Bell and GTEC (now Verizon).

CTC'S ANNUAL RATE OF RETURN FILING

Pursuant to D. 95-11-024 CTC filed its Annual Intrastate Earnings advice letter, which is to be filed every April 1 for the purpose of reporting its actual rate of return, and the market-based, benchmark, ceiling, and floor rates of return last found reasonable. CTC initially reported an actual intrastate ROR for the year 2001 of 9.03% in their Advice Letter No. 741 Submitted on April 2, 2002. CTC later corrected that ROR to 7.27% by Advice Letter No. 741A submitted on April 4, 2002. Other references reported in CTC's filing included the following rates of return:

Market-Based	9.75%
Benchmark	11.25%
Ceiling	14.75%

NOTICE/PROTESTS

CTC states that a copies of Advice Letter No.741, and Advice Letter No. 741A had been mailed to seven interested parities. Notice of Advice Letter No.741 was noticed in the Commission's Daily Calendar of April 5, 2002.

No protests have been filed regarding this advice letter.

DISCUSSION

While CTC's reported ROR is below the established threshold for sharing, in order to preserve the Commission's options, CTC's reported ROR will be accepted subject to any corrections, adjustments or refunds that may be appropriate as a result of any Commission decision.

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code Section 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

- 1) Advice Letter No. 741 was filed in a timely manner.
- 2) Supplemental Advice Letter 741 A was submitted on April 4 2002.
- 3) CTC reports that for the year 2001 they earned a ROR of 7.27%.
- 4) The reference RORs are as follows:
 - Market-Based – 9.75%
 - Benchmark – 11.25% (+ 150 basis points)
 - Ceiling – 14.75% (+ 500 basis points)
 - Floor – 6.50% (- 325 basis points)

THEREFORE IT IS ORDERED THAT:

1. CTC's Annual Intrastate Earnings advice letter reporting its rate of return for the year 2000 shall be accepted subject to any corrections, adjustments or refunds that may be appropriate as a result of any Commission decision.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 22, 2002. The following Commissioners approved it:

WESLEY M. FRANKLIN
Executive Director